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Typed or Printed Name of Person Mailing Paper or Fee: *Rick W. Meola*

Signature: *Rick W. Meola*

PATENT
Docket No. P1395

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICANT: Zhang Shao Wei, et al.

SERIAL NO. 10/033,713

EXAMINER: R. A. Hylton

FILED: December 27, 2001

ART UNIT: 3727

FOR: METHOD AND SYSTEM OF FLEXIBLE PACKAGING FOR
CONTAINMENT OF LIQUID AND GASEOUS FLUIDS

Mail Stop Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

DECLARATION

Dear Sir:

I, Jeffery K. Slaboden, declare as follows:

1. I am the Vice President of Smith & Vandiver, Corporation, ("S&V") the assignee of the subject matter of the above-identified patent application.

2. In December, 2001, S&V acquired the United States patent rights to the subject matter contained within the above-identified patent application from Double Body Co., Ltd.
3. The subject matter contained within the above-identified patent application describes a flexible container having a flexible closure or valve having a stopper attached thereto. The flexible container is made of two flexible members forming a chamber therebetween for containing liquid cleanser. Due to the flexible nature of the container, liquid cleanser can be repetitively filled and expelled from the container when the container is squeezed. The liquid cleanser can be various body and bath soaps, such as bubble bath and shampoo. S&V coined the term "Gel Pak" to describe this product and sells it under the brand name *Bathing Beauties*®, and through its Sinclair & Valentine division under the brand name *Good Clean Fun*® and *Bubblicious*®. This product introduced to the specialty bath market the concept of packaging a liquid bath soap/shampoo/related cleanser inside a resealable flexible container. Due to the ability of the flexible container to take many shapes, the variety of packaging designs is very great. This feature, along with its re-sealability capability due to the valve has made this product very desirable.
4. S&V first introduced the Gel Pak product in January, 2002 as a specialty bath product. This product did not replace an existing product, nor was it a modification of an existing product. Further, this product is a stand-alone product. It does not rely upon

any additional product, device or system to operate. Moreover, it is not a part of a larger product or system.


5. S&V has sold the Gel Pak product to many different companies, including Wal-Mart, Target, Bed Bath & Beyond, K-Mart, Albertsons, The Gap, Costco, Eckerd Drug, Cracker Barrel and many independent gift retailers.
6. The sales data, in form of units sold, wholesale dollars and estimated retail dollars, for the Gel Pak product from the its introduction in 2002 until August, 2006 is set forth in Exhibit 1 attached hereto.
7. S&V has been in the specialty bath product business since 1979. Over that period of time, many items have been introduced. S&V has in recent years established two new categories of products. In the late 1990's, S&V first introduced products in the area of effervesants. These products currently make up over 50% of S&V's total revenue. The second new category is the Gel Pak product.
8. Once a new product category is established, competition can develop rapidly. As set out in the Executive Summary of the Soap, Bath and Shower Products, US, August 2006 Market Report produced by Global Information, Inc. (a copy is attached as Exhibit 4), competition in the soap, bath and shower products area is high, which keeps

prices limited. Moreover, increase of sales is limited to only what can be taken away from competitors.

9. When S&V introduces a new product into the gift market segment, it is introduced by placing it within our product catalogue. It is offered for sale through sale at trade shows and individual sales calls. Further, it is distributed to our Sales Reps showrooms. From time to time, it may be advertized in gift industry publications. When the product is introduced into the mass market segment, individual product sell sheets are created. These sell sheets include product facts, features and benefits, and are used to present the product to customers by our sales rep organization or through direct contact by our company. When the product is introduced into the private label segment, direct sales contact is made based on anticipated customer need or requests.
10. With respect to the marketing and advertizement of the Gel Pak products, as described by the above identified patent application, S&V introduces such in the same manner as the other S&V products, as set out above.
11. Prior to the introduction of the Gel Pak product, I am not aware of any competitor who sold Gel Pak-type products, that is, a two-piece flexible container with a valve that contains and dispenses liquid soaps and cleansers, such as bubble bath and shampoo.

12. Upon the introduction of the Gel Pak to the market, multiple competitors started to copy the Gel Pak product. See Exhibit 3 showing various competitors selling two-piece flexible containers that contain and dispense liquid soaps and cleansers, such as bubble bath and shampoo.
13. Additionally, after the introduction of the S&V Gel Pak, some S&V customers first purchased the S&V Gel Pak products but then stopped purchasing the S&V Gel Pak and started selling other "gel pak" type of products.
14. The S&V Gel Pak, sold under the *Good Clean Fun*® trademark, was awarded the *Teen People* magazine's Trendspotter Hot Pick Award Winner for Hottest Packaging, i.e. the two-piece flexible container with a valve that contains and dispenses liquid soaps and cleansers, such as bubble bath and shampoo, during the 2004 National Association of Chain Drug Stores tradeshow. See Exhibit 2 attached hereto. The award recognizes the innovated packaging concept set out in the above-captioned patent application.

FURTHER DECLARANT SAYETH NOT.


Jeffery K. Slaboden, Vice President
Smith & Vandiver, Corporation

Smith & Vandiver Corporation**Gel Pak Sales**

	UNITS	WHOLESALE \$	EST. RETAIL \$
2002	570,000	994,427	1,529,887
2003	996,721	1,495,382	2,300,587
2004	637,755	1,020,049	1,569,306
2005	438,900	701,927	1,079,888
2006 JAN-AUG	389,990	433,067	787,395
	3,033,366	4,644,852	7,267,063

You've been HOT PICKED!

Several Teen People Trendspotters™ named the MACOS trade show floor and chose products they thought were cool. Your product made their MACOS Hot Pick List.

The Teen People Trendspotters™ are an exclusive community of over 12,000 influential teens between the ages of 13-24. The Trendspotters™, self-identified as "popped-in" and "the partners totally in touch with the teen market."

To hear more about latest dragons, shopping habits and which products they chose to be the best in class at MACOS, come to the following event:

HOT PICK AWARD CEREMONY
Wednesday, June 29th
4:00pm-6:00pm
Exhibit Hall A, adjacent to Registration Area

HOT PICK PANEL
Wednesday, June 29th
7:30am-8:30am
Meeting Room 1, upper level

For more information about the Teen People Trendspotters™, please call Nathan Cooper-Smith, Manager, Trendspotter Marketing at 212-522-5006.

PRODUCT NAME:
Good Clean Fun



2004
Teen People
Trendspotter
Hot Pick Award
Winner



Teen People

WHAT'S NOW • WHAT'S NEXT • WHAT MATTERS

★



And the winner is...

Hottest Packaging

Good Clean Fun

Body Feeling for Kids

AG - EX1+3



Ladycare®



Ladycare Amenities Mfg. Co. Ltd.

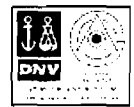
Head Office: 2207-11, Telford House, 16 Wang Hai Road,

Kowloon Bay, Kowloon, Hong Kong.

Tel: (852) 2796-8108 Fax: (852) 2707-9682

Factory: Guangdong, China.

Website: www.ladycare.com Email: ladycare@ladycare.com

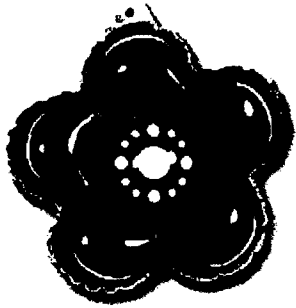


DNV

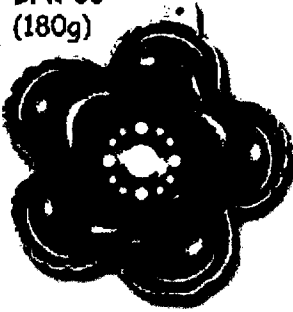
* Any custom designs are welcomed.

2004/05/11

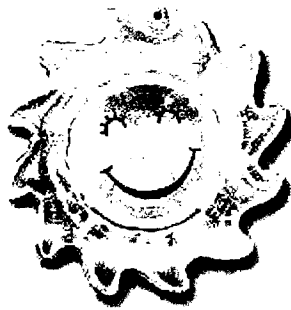
Body Feeling for Kids



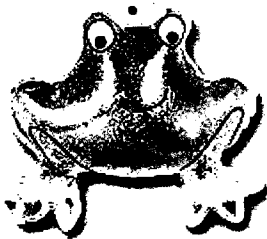
BFK-03
(180g)



BFK-02
(180g)



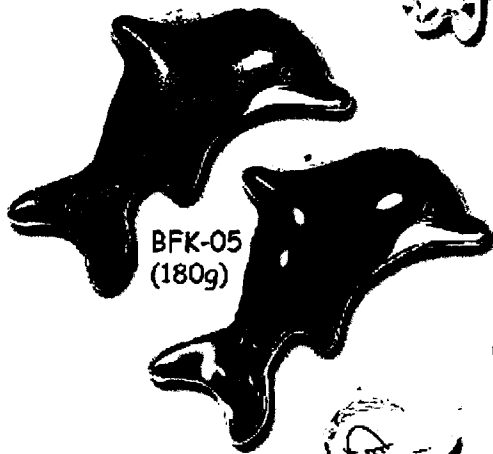
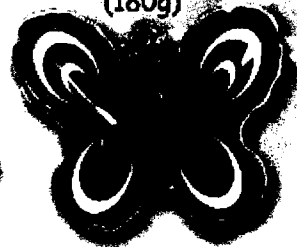
BFK-01
(180g)



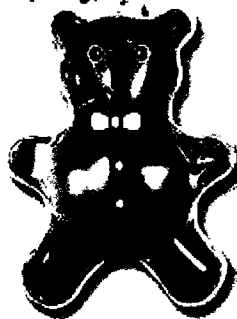
BFK-06
(180g)



BFK-09
(170g)



BFK-05
(180g)



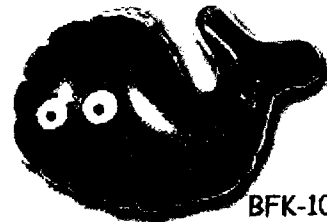
BFK-08
(145g)



BFK-04
(180g)



BFK-07
(180g)



BFK-10
(200g)



die-cut are welcomed 10/4/05/11

Ladycare®

~ Fulfilling customers' every needs, with the best price, service and quality ~

Ladycare, our company is a leading manufacturer and exporter specialized in extensive range of **Gifts & Premium, Hotel Amenities and Airline Supplies** in Hong Kong for over 20 years.



Contemporary Collections

With our experienced and professional production team, we operate three manufacturing sites, including a **plastic factory**, a **sewing factory** and a **cosmetic factory** in Guangdong, China. We provide **ONE-STOP** service and are fully vertically integrated from raw material procurement to final decorative packaging, we can confidently control over the price and quality of all our products. With an excellence in manufacturing, our company was awarded the ISO 9002 Certificate in 1998.



Food Collections

Kindly "CLICK" our gift sets for your kind consideration; **whereas**, individual item such as tubes, bottles, soap, fizzer etc are also welcomed. Please feel free to contact us if you are interested in any other items. We are happy to serve you at any time.



Kids Collections

We look forward to hearing from you soon.

Libra Wong

Yours faithfully,

Ladycare Amenities Mfg. Co., Ltd.



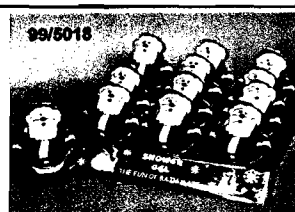

Website: www.ladycare.com

Re: Body Feeling For Kids ** fill with bath gel

Item No.	Description	FOBHK Unit price	Packing
BFK-01	180gm bath gel in butterfly shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-02	180gm bath gel in sun flower shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-03	180gm bath gel in flower shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-04	180gm bath gel in tree shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-05	180gm bath gel in dolphin shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-06	70gm bath gel in dolphin shaped PVC pouch	USD0.193/pc	
BFK-07	180gm bath gel in frog shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-08	180gm bath gel in chicken shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-09	145gm bath gel in snow shaped PVC pouch	USD0.34/pc	48pcs 0.052cbm
BFK-10	170gm bath gel in bear shaped PVC pouch	USD0.365/pc	48pcs 0.052cbm
BFK-11	200gm bath gel in whale shaped PVC pouch	USD0.40/pc	48pcs 0.052cbm
BFK-12	65gm bath gel in ladybud shaped PVC pouch	USD0.185/pc	
BFK-13	65gm bath gel in fish shaped PVC pouch	USD0.185/pc	
BFK-14	90gm bath gel in chicken shaped PVC pouch	USD0.22/pc	
BFK-15	100gm bath gel in duck shaped PVC pouch	USD0.23/pc	
BFK-16	220gm bath gel in bear shaped PVC pouch	USD0.43/pc	
BFK-17	75gm bath gel in frog shaped PVC pouch	USD0.20/pc	
BFK-18	150gm bath gel in squirrel shaped PVC pouch	USD0.34/pc	
BFK-19	80gm bath gel in rabbit shaped PVC pouch	USD0.21/pc	
BFK-20	70gm bath gel in small squirrel shaped PVC pouch	USD0.193/pc	
BFK-21	110gm bath gel in cat shaped PVC pouch	USD0.29/pc	
BFK-22	85gm bath gel in dog shaped PVC pouch	USD0.215/pc	
BFK-23	170gm bath gel in cat shaped PVC bottle	USD0.47/pc	36/72pcs 0.042cbm
BFK-24	160gm bath gel in dog shaped PVC bottle	USD0.45/pc	
BFK-25	170gm bath gel in bear shaped PVC pouch	USD0.47/pc	

Order qty : 110,000pcs/style

Out of the Blue (Hong Kong) Limited
Unit 1401-02, 14/F., Shiu Lam Building, 23 Luard Road, Wanchai, Hong Kong.
Tel: 852 2904 3822 Fax: 852 2904 2229 Email: sales@ootb.com.hk

Item No.	Description	Product Image	Price	FOB
10/4820	Heart Bath Fizzer 8g x 15pcs Packing: Each set in Textile bag 36 bags per display 144bags per master carton Meas: 57.5x40x9cm		USD0.51/set	HongKong
10/4821	Ball Bath Fizzer in white organza bag 25pcs per bag Packing: Each bag with hangtag 24bags per display 144bags per master carton color: assortment: blue, Green, Yellow, Purple and orange Meas: 57.5x27x9cm		USD0.60/set	HongKong
99/5018	Shower Gel - Santa Claus, 180ml Packing: 12pcs per display tray 48pcs per master carton Meas: 48.5 x 28.6 x 27.3cm		USD0.46/pc	Yantian
10/5167	Bath Oil, Duck, Yellow Lemon Scent Packing: 200pcs per drum 1,600pcs per master carton Meas: 34 x 28.2 x 40cm		USD18.85/drum	Yantian

Remark Net Price

Paymen By T/T 30% Deposit + Balance 7 days before shipment

Delivery 45-60 days after order confirmation

Packing Price are based on our standard packaging

in purse tote bag

Front Side

TRENDS

"Easter Bunny"
Coin Purse



Bath
Gels



Funky Feather
Fun Pen



Piggy
Lipgloss



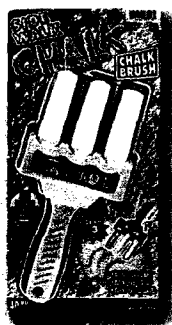
Boba
Pillow

TOYS

Light-Up
High Bounce
Ball



Sidewalk
Chalk
Paint Brush



9 Gram
Clay Chip

Texas
Hold 'Em



inging Tea Pot

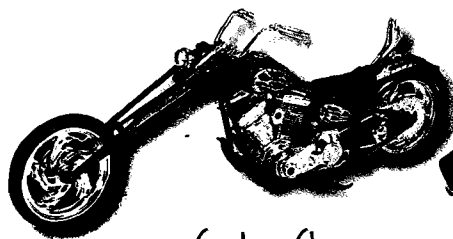
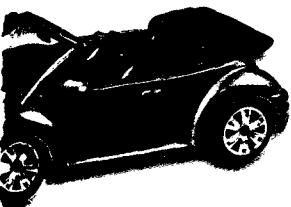
Electronic Guitar

DIE-CAST

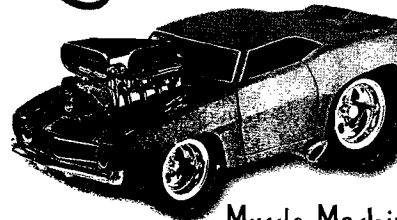
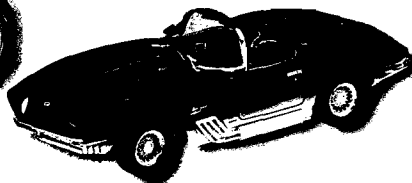
Beetle™ Cabrio

Mako Shark
Corvette

Muscle Machin
69 Chevy Camaro



Custom Chopper



at These Showrooms/Shows:

Atlanta Gift Mart #1700
Dallas Gift Mart #1949
BillERICA #310
Seattle Gift Mart #251
N.Y. Gift Show #1263-1283
Overland Park (KC) #421
Alaska Trade Center #103

Majic Show Las Vegas (C. MARIE / EJ ENT.)
JJ Assoc. Columbus Mart #110
Gift Street Inc. Minnesota Gift Mart #B-149
Marketplace Chicago Merchant Mart #13-140
Lori Minden & Assoc. San Francisco Show #2740
Terry Moore & Assoc. Denver Merch. Mart #1211-1221
Sales Connection Oasis Show #2722-2731
EJ/Joe Salem Los Angeles Gift Show #1817-1821

P.O. Box 90790

City of Industry, CA 91715

PH: (626) 923-1913 • (800) 279-8065

FAX: (626) 369-1234

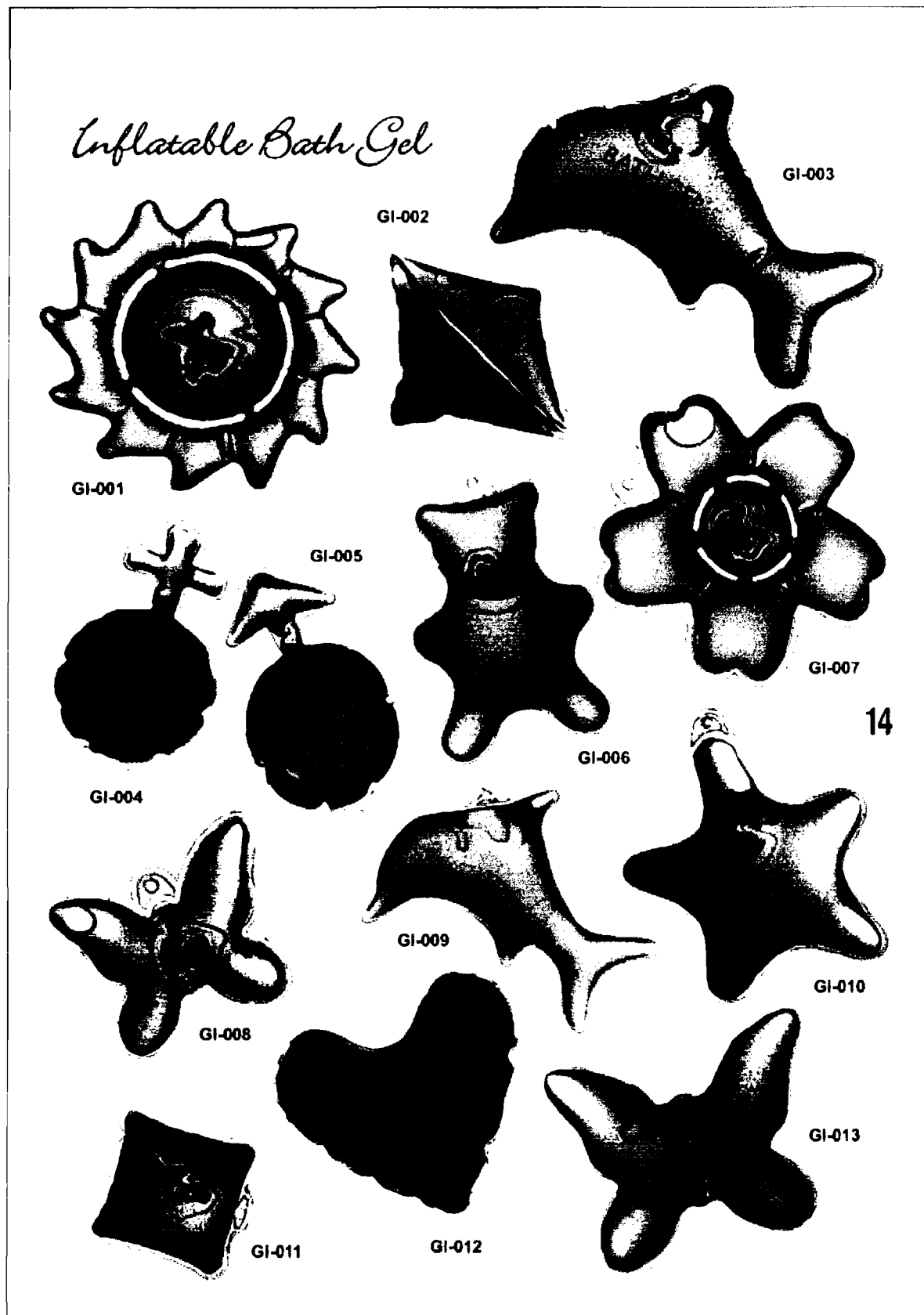
www.ej-enterprises.com

For More Information Circle No. 109

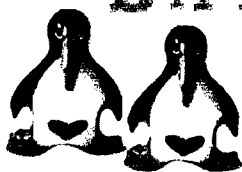


2005 New Product





BATH & SHOWER GEL



DD-0E001a
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E002
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E003
45ml/1.6oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E004
45ml/1.6oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E005
50ml/1.8oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E006
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372

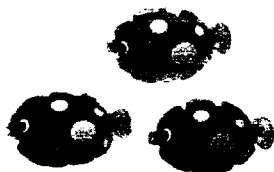
TD-S005



TD-S006
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E007
60ml/2.1oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E008
60ml/2.1oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E009
50ml/1.8oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E010
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E011
40ml/1.4oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E012
30ml/1.1oz
30 pcs/drum,
180 pcs/ctn
CBM 0.0372



DD-0E013
55ml/1.9oz
30 pcs/drum,
180 pcs/ctn
CBM 0.0372



DD-0E014
40ml/1.4oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E015
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E016
30ml/1.1oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E017
35ml/1.2oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E018
45ml/1.6oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E020
45ml/1.6oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



美益實業有限公司 (香港)
TRUMP ELEGANT INDUSTRIAL LIMITED (HKG)
深圳市美益沐浴禮品有限公司
SHENZHEN TRUMP ELEGANT
BATH & GIFT WARES COMPANY LIMITED

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Add: Room 901, 9/F, Shenzhen Central Business Building, No. 88
Fuhua Yilu, Futian District, Shenzhen, China.
Tel: 86-755-82031706 33348136 33348138 Mobile: 13923360898
Fax: 86-755-82031706 Postel: 518026
Email: web@szsd-oem.com zhi@szsd-oem.com Http://www.szsd-oem.com

工廠地址: 深圳市龍崗區龍城龍西清水路玉湖1號厂房
Factory add: No. 1 Factory Building, Yu Hu, Qing Shui Road, Long
Long Chang Town, Long Gang District, Shenzhen.
Tel: 86-755-84879991 Fax: 86-755-84879992 Post

Executive Summary

Soap, bath and shower products, by the numbers

The FDM market for soap, bath and shower products in 2006 is estimated at \$1,634 million. This represents a 4% gain over 2004, but a 6% decline over the entire period from 2001. Sales of such products through natural food stores are estimated to add another \$69 million to the market, representing a gain of 30% since 2003. Mintel estimates that Wal-Mart will account for sales of \$549 million in 2006.

Competition driving major efforts to differentiate

Pretty much everyone uses some sort of soap product to wash their hands and shower/bathe. This tends to keep competition high and limits price increases. Unless manufacturers can find a way to encourage consumers to wash their hands and bodies more often or pay more for specialty versions, sales gains are limited to what can be taken away from the competition.

Manufacturers' efforts to increase sales currently focus around differentiation, or specialization. Brands are splintering from a few, more general, lines into many lines with specific positioning: masculine, feminine, kids, and with specific functional ingredients. Categories overlap, as well, e.g., men's spa, kids' natural, luxury botanical, etc.

More for men

Although most soap, bath and shower products are still aimed at, and bought by, women, male-oriented products continue to grow. Manufacturers have been introducing additional lines aimed specifically at men, particularly in the second half of the 2001-06 period. Major companies like Unilever (AXE, Suave For Men), Colgate-Palmolive (Softsoap For Men) and Procter & Gamble (Old Spice Red Zone/High Endurance, Gillette Complete Skincare) are all busy adding new brands or expanding existing ones into the men's bath/shower area. Non-FDM manufacturers are developing male soap, bath and shower products as well, including cosmetics and skincare specialty companies which sell their products through department and specialty stores, and salons/spas.

Magical botanical

The use of botanical ingredients has been a major trend throughout the 2001-06 period and will continue to be so. Natural or natural-sounding soap, bath and shower products encompass a number of consumer product desires. Botanical-based products seem healthier, more exotic, more spa-like, perhaps even more environment-friendly. Specific botanicals may promise specific results, from moisturizing to skin toning to aromatherapy benefits.